

**ASSEMBLY BILL**

**No. 1108**

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**Introduced by Assembly Member Fuentes**

February 27, 2009

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An act to amend Section 739.5 of, to add the heading of Chapter 1 (commencing with Section 9500) to, and to add Chapter 2 (commencing with Section 9505) to, Division 4.8 of, and to repeal Section 12821.5 of, the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1108, as introduced, Fuentes. Electric and gas utility service: master-meter customers.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas or electrical corporation. Existing law additionally requires the electrical or gas corporation to establish uniform rates to master-meter customers at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service (master-meter discount). Existing law provides that every master-meter customer is responsible for the maintenance and repair of its submeter facilities beyond the master-meter.

This bill would authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master-meter, to order the master-meter customer to maintain or repair those facilities and would authorize the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that moneys received as a result of the master-meter discount be held in trust to be expended for maintenance and repair of the submeter facilities. The bill would require a master-meter customer to separately bill for gas or electric service, or both, and rent. This bill would prohibit a master-meter customer from charging a user of electricity or gas any late charge for nonpayment or delayed payment of rent. The bill would require that any late charge imposed by a master-meter customer for nonpayment or delayed payment by a user for gas or electric service be in an amount that does not exceed that which the electrical or gas corporation would charge for nonpayment or delayed payment for electric or gas service.

(2) The existing Municipal Utility District Act authorizes the formation of a municipal utility district and authorizes a district to acquire, construct, own, operate, control, or use works for supplying the inhabitants of the district and public agencies with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage, or refuse matter. Existing law requires that, when light, heat, or power is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving service directly from a municipal utility district. Existing law additionally requires that the master-meter customer provide an itemized billing of charges for light, heat, and power to each individual user generally in accordance with the form and content of bills of the district to its residential customers. Existing law provides that every master-meter customer receiving light, heat, or power from a municipal utility district is responsible for maintenance and repair of its submeter facilities beyond the master-meter.

This bill would repeal this provision. The bill would provide that when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving

gas or electricity directly from a local publicly owned electric or gas utility. The bill would require a master-meter customer to provide an itemized billing of charges for electricity or gas to each user in accordance with the form and content of bills of the local publicly owned electric or gas utility to its residential customers. The bill would require a master-meter customer to separately bill for gas or electric service, or both, and rent. The bill would prohibit a master-meter customer from charging a user of electricity or gas any late charge for nonpayment or delayed payment of rent. The bill would require that any late charge imposed by a master-meter customer for nonpayment or delayed payment by a user for gas or electric service be in an amount that does not exceed that which the local publicly owned electric or gas utility would charge for nonpayment or delayed payment for electric or gas service. The bill would provide that every master-meter customer receiving electric or gas service from a local publicly owned electric or gas utility is responsible for maintenance and repair of its submeter facilities beyond the master-meter. The bill would authorize the Public Utilities Commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master-meter, to order the master-meter customer to maintain or repair those facilities and would authorize the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that moneys received as a result of a master-meter discount provided by a local publicly owned electric or gas utility be held in trust to be expended for maintenance and repair of the submeter facilities. The bill would require a local publicly owned electric or gas utility to notify each master-meter customer of these obligations. By placing additional requirements upon local publicly owned electric and gas utilities, the bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 739.5 of the Public Utilities Code is amended to read:

739.5. (a) (1) The commission shall require that, whenever gas or electric service, or both, is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer shall charge each user of the service at the same rate that would be applicable if the user were receiving gas or electricity, or both, directly from the gas or electrical corporation. ~~The~~

(2) ~~The~~ commission shall require the *electrical or gas* corporation furnishing service to the master-meter customer to establish uniform rates for master-meter service at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service.

(b) Every master-meter customer of a gas or electrical corporation subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the corporation shall distribute to, or credit to the account of, each current user served by the master-meter customer that portion of the rebate which the amount of gas or electricity, or both, consumed by the user during the last billing period bears to the total amount furnished by the corporation to the master-meter customer during that period.

(c) An electrical or gas corporation furnishing service to a master-meter customer shall furnish to each user of the service within a submetered system every public safety customer service which it provides beyond the meter to its other residential customers. The corporation shall furnish a list of those services to the master-meter customer who shall post the list in a conspicuous place accessible to all users. Every corporation shall provide these public safety customer services to each user of electrical or gas service under a submetered system without additional charge unless the corporation has included the average cost of these services in the rate differential provided to the master-meter customer on January 1, 1984, in which case the commission shall deduct the

1 average cost of providing these public safety customer services  
2 when approving rate differentials for master-meter customers.

3 (d) (1) Every master-meter customer is responsible for  
4 maintenance and repair of its submeter facilities beyond the  
5 master-meter, and nothing in this section requires an electrical or  
6 gas corporation to make repairs to or perform maintenance on the  
7 submeter system.

8 (2) *If the commission finds that a master-meter customer has*  
9 *failed to maintain or repair its submeter facilities beyond the*  
10 *master-meter, the commission may order the master-meter*  
11 *customer to maintain or repair those facilities.*

12 (3) *In addition to any authority granted the commission to make*  
13 *or enforce orders pursuant to Chapter 11 (commencing with*  
14 *Section 2100), if the commission finds that a master-meter customer*  
15 *has failed to maintain or repair its submeter facilities beyond the*  
16 *master-meter, the commission may order that the rate differential*  
17 *established pursuant to subdivision (a) be held in trust to be*  
18 *expended for maintenance and repair of the submeter facilities.*

19 (e) (1) Every master-meter customer shall provide an itemized  
20 billing of charges for electricity or gas, or both, to each ~~individual~~  
21 user generally in accordance with the form and content of bills of  
22 the corporation to its residential customers, including, but not  
23 limited to, the opening and closing readings for the meter, and the  
24 identification of all rates and quantities attributable to each block  
25 in the applicable rate structure. The master-meter customer shall  
26 also post, in a conspicuous place, the applicable prevailing  
27 residential gas or electrical rate schedule, as published by the  
28 corporation.

29 (2) *Notwithstanding any other provision of law, a master-meter*  
30 *customer shall separately bill each user for gas or electric service,*  
31 *or both, and rent. A master-meter customer shall not charge a user*  
32 *of electricity or gas any late charge for gas or electric service as*  
33 *a result of nonpayment or delayed payment of rent. For*  
34 *nonpayment of delayed payment of gas or electric service by a*  
35 *user, the master-meter customer may impose a late charge up to*  
36 *an amount that does not exceed that which the electrical or gas*  
37 *corporation would charge for nonpayment or delayed payment*  
38 *for electric or gas service.*

1 (f) The commission shall require that every electrical and gas  
2 corporation shall notify each master-meter customer of its  
3 responsibilities to its users under this section.

4 (g) The commission shall accept and respond to complaints  
5 concerning the requirements of this section through the consumer  
6 affairs branch, in addition to any other staff that the commission  
7 deems necessary to assist the complainant. In responding to the  
8 complaint, the commission shall consider the role that the office  
9 of the county sealer in the complainant's county of residence may  
10 have in helping to resolve the complaint and, where appropriate,  
11 coordinate with that office.

12 (h) Notwithstanding any other provision of law or decision of  
13 the commission, the commission shall not deny eligibility for the  
14 California Alternative Rates for Energy (CARE) program, created  
15 pursuant to Section 739.1, for a residential user of gas or electric  
16 service who is a submetered resident or tenant served by a  
17 master-meter customer on the basis that some residential units in  
18 the master-meter customer's mobilehome park, apartment building,  
19 or similar residential complex do not receive gas or electric service  
20 through a submetered system.

21 SEC. 2. The heading of Chapter 1 (commencing with Section  
22 9500) is added to Division 4.8 of the Public Utilities Code, to read:

23  
24 CHAPTER 1. WEATHERIZATION SERVICES  
25

26 SEC. 3. Chapter 2 (commencing with Section 9505) is added  
27 to Division 4.8 of the Public Utilities Code, to read:

28  
29 CHAPTER 2. MASTER-METER CUSTOMERS  
30

31 9505. (a) (1) Whenever gas or electric service, or both, is  
32 provided by a master-meter customer to users who are tenants of  
33 a mobilehome park, apartment building, or similar residential  
34 complex, the master-meter customer shall charge each user of the  
35 service at the same rate that would be applicable if the user were  
36 receiving gas or electricity, or both, directly from a local publicly  
37 owned electric or gas utility.

38 (2) Notwithstanding any other provision of law, a master-meter  
39 customer shall separately bill each user for gas or electricity  
40 service, or both, and rent. A master-meter customer shall not charge

1 a user of electricity or gas any late charge for gas or electric service  
2 as a result of nonpayment or delayed payment of rent. For  
3 nonpayment or delayed payment of gas or electric service by a  
4 user, the master-meter customer may impose a late charge up to  
5 an amount that does not exceed that which the local publicly owned  
6 electric or gas utility would charge for nonpayment or delayed  
7 payment for electric or gas service.

8 (b) Every master-meter customer of a gas or electrical  
9 corporation subject to subdivision (a) who receives any rebate  
10 from the local publicly owned electric or gas utility shall distribute  
11 to, or credit to the account of, each current user served by the  
12 master-meter customer that portion of the rebate which the amount  
13 of gas or electricity, or both, consumed by the user during the last  
14 billing period bears to the total amount furnished by the utility to  
15 the master-meter customer during that period.

16 (c) (1) Every master-meter customer is responsible for  
17 maintenance and repair of its submeter facilities beyond the  
18 master-meter, and nothing in this section requires a local publicly  
19 owned electric or gas utility to make repairs to or perform  
20 maintenance on the submeter system. For purposes of this  
21 subdivision only, a master-meter customer of a local publicly  
22 owned electric or gas utility is subject to the jurisdiction of the  
23 commission.

24 (2) If the commission finds that a master-meter customer has  
25 failed to maintain or repair its submeter facilities beyond the  
26 master-meter, the commission may order the master-meter  
27 customer to maintain or repair those facilities.

28 (3) In addition to any authority granted the commission to make  
29 or enforce orders pursuant to Chapter 11 (commencing with Section  
30 2100), if the commission finds that a master-meter customer has  
31 failed to maintain or repair its submeter facilities beyond the  
32 master-meter, the commission may order that any master-meter  
33 discount provided to the master-meter customer by a local publicly  
34 owned electric or gas utility be held in trust to be expended for  
35 maintenance and repair of the submeter facilities.

36 (d) Every master-meter customer shall provide an itemized  
37 billing of charges for electricity or gas, or both, to each user  
38 generally in accordance with the form and content of bills of the  
39 local publicly owned electric or gas utility to its residential  
40 customers, including the opening and closing readings for the

meter, and the identification of all rates and quantities attributable to each block in the applicable rate structure. The master-meter customer shall also post, in a conspicuous place, the applicable prevailing residential gas or electrical rate schedule, as published by the utility.

(e) A local publicly owned electric or gas utility shall notify each master-meter customer of its responsibilities to its users under this section.

(f) The commission shall accept and respond to complaints of users of a mater-meter customer concerning the requirements of subdivision (c) through the consumer affairs branch, in addition to any other staff that the commission deems necessary to assist the complainant. In responding to the complaint, the commission shall consider the role that the office of the county sealer in the complainant's county of residence may have in helping to resolve the complaint and, where appropriate, coordinate with that office.

SEC. 4. Section 12821.5 of the Public Utilities Code is repealed.

~~12821.5.—(a)—Whenever residential light, heat, or power is furnished through a submeter system by a master-meter customer for sale to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer is responsible for maintenance and repair of its submeter facilities beyond the master meter, and nothing in this section requires a district to make repairs to or perform maintenance on the submeter system.~~

~~(b) Every master-meter customer shall provide an itemized billing of charges for light, heat, and power to each individual user generally in accordance with the form and content of bills of the district to its residential customers, including, but not limited to, the opening and closing readings for the meter, and the identification of all rates and quantities under the applicable rate structure. The master-meter customer shall charge each user of the service at a rate which does not exceed the rate which would be applicable if the user were receiving residential light, heat, or power directly from the district. The master-meter customer shall also post, in a conspicuous place, the applicable prevailing residential rate schedule, as published by the district.~~

~~(c) The district shall notify each master-meter customer of its responsibilities to its users under this section.~~



1     SEC. 5. No reimbursement is required by this act pursuant to  
2     Section 6 of Article XIII B of the California Constitution because  
3     the only costs that may be incurred by a local agency or school  
4     district will be incurred because this act creates a new crime or  
5     infraction, eliminates a crime or infraction, or changes the penalty  
6     for a crime or infraction, within the meaning of Section 17556 of  
7     the Government Code, or changes the definition of a crime within  
8     the meaning of Section 6 of Article XIII B of the California  
9     Constitution.

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